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TO : Department of State

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FROM : AmEmbassy KABUL

DATE: February 27, 1978

SUBJECT: Annual Policy Assessment: Additional Submission

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As has been this Mission's practice in previous years, the Annual Policy Assessment was carried out in several stages. A Policy Review Group, composed of middle and junior grade officers from all Mission elements, was formed in mid-December to evaluate and recommend suggested changes of the Goals and Objectives of U.S. policy in Afghanistan contained in Reftel A. The Group's submission to the Country Team represents Enclosure One of this Airgram, and provided the basis for discussions between the Group and the Country Team which resulted in the final Mission recommendations of revised Goals and Objectives contained in Reftel B.

As the second stage of the assessment exercise, the Policy Review Group was asked to evaluate how well the Mission had performed last year in achieving the Goals and Objectives it established for itself in 1977 (Reftel C). The Group's submission is Part One of Enclosure Two. Finally,

Enclosures:

1-U.S. Goals and Objectives in Afghanistan:
Views of the 1978 Policy Review Group (SECRET)

2-Part One: Assessment of the U.S. Mission's 1977 Performance Regarding the Attainment of Its Goals and Objectives (SECRET)

Part Two: Recommended Policies to be Pursued by the U.S. Mission in 1978 in Order to Achieve the Goals and Objectives Established by the Country Team (SECRET)

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FORM 4-82 DS-323

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REVIEWED BY S. Rockwell DATE 10/12/80

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the Group was asked to provide suggested policies or courses of action which the Mission might adopt in the future in order to bring the Goals and Objectives for 1978 within closer reach. The Group's ideas and suggestions are Part Two of Enclosure Two of this Airgram. The various policy issues raised by the Policy Review Group were discussed in a series of highly useful and provocative meetings with the Country Team in January and February.

The Group's papers are transmitted to the Department as being of possible interest to some readers. The U.S. Mission Kabul's formal 1978 Annual Policy Assessment, Parts I and II, have been submitted as refs B and D.

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U.S. GOALS AND OBJECTIVES IN AFGHANISTAN:
VIEWS OF THE 1978 POLICY REVIEW GROUP

Goal I. The promotion of Afghanistan's political independence and its political and economic development.

Rationale for Change: The United States is not now, nor should it become, committed to, or responsible for, the "protection" of Afghanistan in any respect.

Objective A. To ensure that USAID programs are concentrated in the agriculture, health, and education sectors in order to improve access to basic human needs for the poor majority of the Afghan population, and represent a meaningful alternate source of assistance to that extended by the Soviet Union.

Rationale for Change: The political, as well as the economic development, aspects of our AID programs should be enunciated under this goal, especially since the level of our USAID programs is viewed by politically aware Afghans as a principal barometer for measuring U.S. involvement and interest in this country.

Objective B. To encourage Afghanistan in its ongoing program for building political institutions, emphasizing the need for the establishment of a broader political base, and for an expanded participation in the political process by all segments of the society.

Rationale for Addition: A goal encompassing Afghan political development should take into account the current political program of this particular regime.

Objective C. To use Peace Corps Volunteers in projects beneficial to the health or social and economic development of the rural and urban poor of the Afghan population, as well as in projects designed to improve educational services for the future leaders of the nation.

Rationale for Change: In striving to attain this goal, educational services should not be limited solely to the rural and urban poor of the society, but should be expanded to include those sectors which will provide the country's political and economic leadership of the future.

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Objective D. To encourage the Afghan Government to adopt policies which will allow expansion of the domestic private sector of the economy.

Rationale for Addition: A development along these lines would increase international confidence in Afghanistan's stability, and would loosen the hold of the economic bureaucracy, which could thereby allow the country to quicken the pace of its economic development.

Goal II. The diversification and strengthening of Afghanistan's international and regional ties.

Rationale for Change: The redraft expresses better the desired goal.

Objective A. To urge Afghanistan to diversify its economic, political and military support relationships -- such as through expanded ties with Iran, India, Turkey, and politically moderate countries of the Persian Gulf -- in order to reduce Afghan reliance on the Soviet Union.

Rationale for Change: As drafted above, the Department's first three objectives under this goal are, in substance, combined into one.

Objective B. To encourage Afghanistan to maintain its rapprochement policy toward Pakistan, to downplay differences concerning the status of the Pushtun and Baluch peoples, and to promote friendship, cooperation and trade between the two countries.

Rationale for Change: The redraft broadens the objective beyond a mere series of discussions, and implies that Afghanistan should be urged to maintain good relations with whatever regime might hold power in Pakistan.

Objective C. To obtain Afghan support in international fora for U.S. policies.

Rationale for Addition: This objective supports our overall goal as stated.

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Goal III. The maintenance of an exchange of views and ideas between Afghanistan and the U.S. through a variety of government and private channels.

Rationale for Addition: The relatively limited overall U.S. influence in Afghanistan enhances the importance of adequate U.S. communications with Afghan decision and policy-making groups in order to foster the attainment of all our goals.

Objective A. To develop among the Afghan elite an understanding of and support for U.S. policy.

Rationale for Addition: Given the nature of Afghan society, the Afghan elite represents the principal meaningful target for our communications effort, although understanding of and support for our policies on the part of the masses of the Afghan population would be a welcome sub-objective.

Objective B. To build Afghan comprehension of the political values, economic system, and cultural vitality of America.

Rationale for Addition: This is a natural objective on the road to obtaining the stated goal.

Objective C. To foster an exchange of scholars, visitors, and informal communications which will expand bilateral contact.

Rationale for Change: This represents a redraft of the Department's Objective I.C. taking into account Objectives A and B above.

Goal IV. The elimination of illicit narcotics production and trafficking.

Rationale for Change: Although opium production does represent the most serious potential narcotics threat to the U.S., the broader goal stated above more accurately reflects our overall interests.

Objective A. To work within the framework of the newly formed Joint Commission on Afghan Narcotics Matters to

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help develop, coordinate and implement responsible crop substitution and economic development programs.

Rationale for Change: The deletion of the existing final phrase of the Department's objective results in more internal logic, since crop substitution programs are aimed at reducing poppy production rather than at enhancing the government's enforcement capabilities.

Objective B. To support multilateral programs and assistance activities which will enable the Afghan Government to move forcefully against narcotics producers throughout the country, and which will help make narcotics trafficking difficult and unprofitable.

Rationale for Change: This phrasing focusses more sharply on the international aspects of narcotics control, as well as on the objective of increased enforcement capability for the GOA.

Objective C. To develop means to obtain more reliable intelligence on opium cultivation and trafficking. (No change)

Goal V. The expansion of U.S.-Afghan commercial relationships through increased U.S. trade and private sector participation in Afghan economic development.

Rationale for Change: The focus of the objective should be on expanded U.S. trade, rather than on Afghan policies.

Goal VI. The enhancement of human rights in Afghanistan.

Rationale for Change: Our interest is in human rights, not in their environment.

Objective A. To express frequently at high levels this Administration's position on human rights issues. The GOA should clearly understand that the United States Government takes human rights conditions into account when considering bilateral and multilateral assistance projects.

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Reason for Promotion: This objective reflects the paramount U.S. concern under this particular goal.

Objective B. To encourage Afghan efforts to implement fully those provisions of the new constitution which guarantee human rights.

Rationale for Change: The redraft focusses more clearly on the specific issue of human rights, rather than on the constitution's entirety.

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INTRODUCTION

Afghanistan's continued political independence and stability constitute the overwhelming U.S. interest in this country, and possible threats to this independence and stability, emanating from a post-Mohammad Daoud succession struggle, could present the U.S. with its most significant policy issue in the foreseeable future. No precise time-frame in this regard is predictable, but President Daoud is 69, and, thus, policy options, as well as the basic question of whether the U.S. can, or even should, undertake actions to assist Afghanistan through the potential trauma of a post-Daoud power struggle, should be uppermost in the minds of U.S. policy-makers.

All U.S. programs in Afghanistan basically are either directed toward, or dependent upon, the maintenance of this country's political independence and stability, even though some of these programs have more narrowly focused goals and objectives. Part One of the attached paper contains the Policy Review Group's (PRG) assessment of how well the Mission performed in 1977 in attaining the goals it established for itself a year ago (77 Kabul 0468). Part Two represents the PRG's recommendations regarding programs the Mission might undertake in the future in order to achieve next year's goals (Kabul 0413).

In the PRG's opinion, the resources available to the Mission are generally realistic and commensurate with the operational U.S. presence in Afghanistan, and significant increases or decreases are not called for, at least over the near term. However, the goals established by past and present ComUSAF are, in many cases, so far-reaching that "shortfalls" of two or three years' efforts on the part of all Mission elements. In addition, the constraints on Mission programs imposed by the Afghans tend to prevent attainment of many goals and objectives.

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PART ONE

Assessment of the U.S. Mission's 1977 Performance
Regarding the Attainment of Its Goals and Objectives

Objective 1. To foster an independent and non-aligned Afghanistan, willing and able to impose limitations on Soviet influence.

Policy Review Group (PRG) Assessment. In general, the objective was attained during 1977; Afghanistan remained independent, and Moscow does not have a completely free rein here. How much credit for this maintenance of the status quo should be given to U.S. policies and programs, however, is difficult, if not impossible, to ascertain. Soviet influence remains high in many fields, and the new bilateral economic agreements signed by the two countries indicated that the USSR retains an interest in orienting Afghanistan's economy and trade patterns toward the north. Nevertheless, there was no discernible increase in Soviet economic activity which might pose problems for Kabul in retaining its independence, and Moscow's political sympathizers did not acquire significant political power during the year (in fact, the opposite may have been the case).

Throughout 1977, Afghanistan continued to burnish its non-aligned image. Non-aligned movement activities provided a useful means for pursuing this policy, as did high-level visits by officials from a number of ostensibly non-aligned countries. Again, whether U.S. policies had any direct bearing on this favorable trend (in terms of the stated objective) is difficult to assess, but Mission officials' repeated expressions of support for Afghanistan's overall policy of non-alignment probably had some positive effect.

On the bilateral front, the increase in our small military assistance program is a positive step toward offsetting Afghanistan's virtually total reliance on the Soviet Union in the military training field. Thereby, it may have had some impact in bolstering the Afghans' ability to limit Soviet influence.

The objective, significantly, parallels a major goal of the Government of Afghanistan (GOA) itself, and this overlap in our interests should ensure that our future efforts in this field, barring drastic changes in the composition or attitudes of the GOA, will be buttressed by the Afghans themselves.

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Objective II. To promote the development of closer Afghan regional ties through the improvement of relations with Pakistan and Iran.

PRG Assessment. Afghanistan's relations with its two Muslim neighbors were asymmetrical in 1977, and developments in the regional field were essentially independent of U.S. actions. For much of the year, the rapprochement in Afghanistan-Pakistan relations seemed to have been put in abeyance while the latter country attempted to sort out its domestic political situation. Former Prime Minister Bhutto and Chief Martial Law Administrator Zia made visits to Kabul, but Bhutto's was probably motivated by domestic political reasons, while Zia's may have constituted a more genuine effort at keeping bilateral relations on an even keel.

Iran-Afghanistan relations, which had their ups and downs in 1977, may have responded favorably to very oblique U.S. urging that these countries' bilateral differences should be sorted out in order to expedite potential increased Iranian economic assistance. Although the Mission was able to achieve nothing in breaking loose some of the Iranian assistance money, headway in reducing differences over the Helmand waters agreement was made.

Once again, the Mission witnessed some success in attaining a high priority objective -- although perhaps to a lesser extent than in the context of Objective I.

Objective III. To assist Afghanistan in the social and economic development of the country, especially as it affects the quality of the life of the majority of the Afghan populace.

PRG Assessment. AID's success in implementing assistance projects directly affecting the rural majority of the Afghan population was mixed in 1977, but, generally speaking, there was little significant progress toward achieving the stated objective. For example, new construction of rural primary schools was not undertaken, ongoing construction of basic health centers fell considerably behind schedule, and no construction of rural water structures, roads and bridges was initiated during the last three months of 1977. On the other hand, a family planning program and an experimental training program for health workers at the village level (including traditional midwives) proceeded satisfactorily. In addition, the revised goal for digging of drainage canals in the Helmand Valley was reached.

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It should be stressed that lack of complete success in some projects in 1977 was principally the result of GOA institutional and manpower constraints. Unfortunately, the institution-building element of AID's program, designed to alleviate these constraints, remained in the developmental/documentation stage and, thus, has not yet been implemented. Various projects, currently moving toward AID/Washington approval, are aimed at breaking "bottle-necks" in the Afghan bureaucracy, and should begin during late 1978.

The Peace Corps also had mixed results in its 1977 efforts to reach the stated objective. Peace Corps programs had little identifiable impact on the economic development of Afghanistan, and the contributions it did make were in the social development field. Several Volunteers (PCVs) worked in the Ministry of Public Health in health administration, health education, and the training of nurses and lab technicians. The majority of PCVs continued to work in the area of education, in English language programs at Kabul University, and at secondary and vocational schools in Kabul and three provincial centers. PCVs also taught technical subjects at the Faculty of Engineering at Kabul University, and conducted seminars in the capital and in the provinces for Afghan teachers of English. A Teaching Methods Course for Basic Nursing Instructors was also part of the 1977 program.

Despite the activities of the two most important U.S. developmental agencies in Afghanistan, the U.S. Mission had practically no success in stimulating Afghanistan's economic development in 1977, and marginal impact on the country's social development. The impact of AID and, especially, Peace Corps programs is felt locally and regionally (in the case of the Helmand drainage project). National impact of these programs is yet to be realized.

Objective IV. To foster a broader community of interests between Afghanistan and the United States including Afghan appreciation of the relevance of American values -- economic, political and social -- to their national problems.

PRG Assessment. The official Afghan governmental attitude toward Afghan-American contact is, by most standards, benign. Personal relations are, almost without exception, friendly and usually unmarred by rancor or suspicion. This, however, is less a function of American efforts than a manifestation of the lack of divisive issues between the two countries. Moreover, a large number of well-to-do Afghans have been educated in Europe and the United States, and they retain an affection for Western society and a

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desire for continued contact. Nevertheless, only a thin layer of the Afghan elite has substantial and regular contact with official and unofficial Americans, and the GOA is making an effort to keep foreign influence to a minimum.

The Mission made fair progress in 1977 in obtaining an Afghan understanding of, and support for, American policy, particularly in distant areas of the world. There is, however, little apparent appreciation of U.S. economic policy, particularly regarding private multinational investment, and a similar lack of understanding could well cause our human rights policy to become a sensitive issue in our bilateral relationship. Moreover, there is little Afghan comprehension of American political values, except among those who have had extensive travel or study in the U.S. 1977 USIS programming in the above areas tended toward lighter, more easily acceptable aspects of American culture, rather than on efforts which might directly bridge the cultural and intellectual differences between the two nations.

Objective V. To encourage an increase in Afghan utilization of American products and services in undertakings funded by OPEC countries and other donors, and to encourage U.S.-Afghan investment projects.

PRG Assessment. Despite efforts on the part of the Mission, progress in 1977 toward this objective was limited. Generally speaking, Afghanistan has been unable to absorb and utilize any significant amount of assistance from OPEC, and despite urging by this Mission and international financial institutions, the Afghan Government remained reluctant to spend any significant portion of the extensive capital it has accumulated. Moreover, U.S. business remains relatively uninterested in trading with Afghanistan, not to mention its unwillingness to invest in a distant and primitive country with an uncertain political future.

Thus, although this objective remained far from attainment at the end of 1977, this cannot be attributed to a lack of effort by the Mission, but rather to Afghan bureaucratic obstacles.

Objective VI. To obtain more favorable Afghan votes at multilateral forums on issues considered important by the United States.

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PRG Assessment. The Embassy continued its policy of making forceful demarches at various levels in the Foreign Ministry soliciting GOA understanding of our position on various international issues, as well as support, or at least neutrality, when these issues came to a vote in international forums. In contrast to the previous year, 1977 saw Afghanistan adopt a more favorable UNGA stance regarding Guam and Puerto Rico, and, therefore, the Mission probably did about as well as it could toward achieving this objective, especially given this country's official non-aligned policy, and its need to maintain credible non-aligned credentials.

Objective VII. In the short term, to assist through the UN the suppression of Afghan heroin processing potential, the disruption of trafficking networks and an increase in seizures of opium and its derivatives; in the long term to encourage the eradication of opium cultivation in Afghanistan.

PRG Assessment. In 1977, the Mission's efforts represented a beginning toward achieving the short term portion of the stated objective. Within the Mission, appropriate committees were established to coordinate such tasks as the collection of narcotics intelligence, and the handling of possible drug abuse cases in the American community. In addition, awareness was heightened at all levels of the Mission that narcotics control was and is a very high priority goal for U.S. policy in Afghanistan.

In cooperation with the UNDP Resident Representative's office, and the GOA, a Joint Commission on Afghan Narcotics Matters (composed of UN, Afghan, and US representatives) was established, and held two substantive meetings during the past year. At the moment, this body is viewed as the primary channel for funneling U.S. narcotics control funds into whatever programs may be developed by the Joint Commission. In this regard, UNFAC specialist Michael DeMetre drew up the outline of an initial crop and income substitution plan, and presented it at the second session of the Joint Commission.

In coordination with the UN, enforcement and other training programs were offered on a regular basis to the GOA by the Drug Enforcement Administration. These programs raised the enforcement capabilities of the responsible Afghan authorities, even if to a limited degree.

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Attainment of the long-term element of the objective, however, remained distant, despite various expressions of encouragement made by high-level U.S. officials throughout the year.

Conclusions. In the general opinion of the PRG, 1977 was a mixed bag regarding the Mission's success in reaching the objectives it established for itself a year ago. Some new programs, notably in the narcotics field, represented a good start, although given the immensity of this particular problem, the start may be the easiest part. Programs involving improved bilateral communications, as well as increased commercial relationships between the U.S. and Afghanistan, consisted principally of continued efforts along established lines, and enjoyed limited success. U.S. actions in the crucial yet operationally elusive areas of continued Afghan political independence, and improved regional ties, may have had little impact, even though the overall objective was essentially achieved. The greatest obstacles to U.S. efforts were encountered in the fields of social and economic development, wherein many AID programs fell behind schedule, and genuine positive effects stemming from AID and Peace Corps programs were rarely evident.

Nevertheless, even though few of the Mission's goals and objectives were fully attained in 1977, all elements of the Mission strenuously pursued each pertinent objective, and, in the PRG's view, any lack of progress can basically be attributed to Afghan institutional intransigence, rather than to any lack of U.S. initiative or energy. In addition, the goals and objectives set forth by last year's Country Team were, for the most part, very long-term, and the absence of glaring success in the course of a single year should not be considered damning or even surprising.

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PART TWO

RECOMMENDED POLICIES TO BE PURSUED BY THE U.S. MISSION IN 1978
IN ORDER TO ACHIEVE THE GOALS AND OBJECTIVES ESTABLISHED BY
THE COUNTRY TEAM

Goal I. The preservation of an independent Afghanistan, willing and able to impose limitations on Soviet influence.

Policy Review Group (PRG) Comment. An independent Afghanistan has been the centerpiece of long-term American policy toward this country, and it has been supported, in one form or another, by every policy assessment group since a similar goal was formulated in the 1969 NSC "Country Policy Statement." Our overall presence here is essentially directed toward achieving this fundamental aim. As stated recently by participants at a South Asian Chiefs of Mission meeting, the U.S. has a "strong interest in the stability of Afghanistan" deriving "in part from our vital interest in the security of Iran."

Historically, Afghans have been skillful in playing off the competing interests of stronger foreign powers, and this traditional "balancing act" has contributed, to no small degree, to Afghanistan's success in maintaining its independence over the years. An equally important factor, however, has been the policy-decisions of some great powers themselves that any advantages stemming from the occupation of Afghanistan were not worth the costs such a step would entail. Times have not changed drastically in this country, and, thus, the PRG cautions that the Mission not allow the Afghans to use our interest in Afghanistan's independence, and our larger interest in regional stability, against us, and that we not become convinced that the protection of these interests is more important to us than to Afghanistan and its regional neighbors.

Given the geopolitics which prevail in this immediate region, the USSR is likely to remain the dominant foreign power vis à vis Afghanistan. In many cases, however, meaningful restraints on Soviet policies in this country are imposed by the Soviets themselves, rather than by the Afghans. For the moment, and at least until some possible post-Daoud struggle for power, Moscow appears content with the status quo, and shows no signs that it has designs to augment significantly its political or economic position in this country. Therefore, the PRG recommends that

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the Mission not undertake policies or programs justified solely by "Soviet limiting" criteria, at a time when Soviet policies toward Afghanistan seem self-restrained. In addition, our concern over the political stability of this country is probably shared by the Soviet Union. In this regard, an overlap in interests in a politically stable Afghanistan, could conceivably provide a future occasion to work simultaneously in order to prevent the advent of serious post-Daoud domestic turmoil. However, we should hold approaches along these lines in abeyance until such time as some sort of common approach is deemed feasible and necessary.

Objective A. To expand modestly our small military assistance program, under which heretofore some 15 Afghan Army and Air Force officers have gone to the U.S. annually for training.

PRG Comment. The majority of the PRG feels that this program, as much as any other tool available to the Mission, bears directly on the "Soviet limiting" aspects of the stated goal, and that its relatively low cost merits continuation and expansion, even though its eventual impact cannot be measured precisely. Furthermore, a "modest" increase in this program is realistic in terms of Congressional and GOA restraints, and the PRG recommends that the DAO strive to attain an annual increase of training slots in order to achieve the objective. In the PRG's opinion, the Afghans themselves are sufficiently tuned to their relationship with the Soviet Union that they would be the best judges of how responsive they would wish to be to our offers of additional training.

Finally, the PRG seriously questions whether this modest program is properly placed by the Country Team as the number one objective under the number one political goal.

Objective B. To encourage Afghanistan to build a viable and enduring political system which is responsive to the needs of the people and has solid public support.

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Some PRG members take the position that, regardless of the Mission's evaluation of this regime's political program, the U.S. should not become identified with any particular faction within the Afghan body politic, and that despite the active language included in the objective, we should pursue a hands-off policy regarding political events in this country. Furthermore, according to this view, this specific objective cannot be achieved in any meaningful sense through the adoption of any action-oriented program, and, therefore, action policies are not only unnecessary, but potentially harmful to U.S. interests.

In sum, given the crucial importance to us of continued political stability and a smooth post-Daoud transition, the questions surrounding, and posed by, this objective are basic to the Mission's presence and operations in Afghanistan. As is evident, these issues do not lend themselves to quick solution, nor to unanimity of view, but in the PRG's opinion, they should be addressed quickly by the Mission in order to provide a foundation for the difficult policy decisions which may lie in the near future.

Objective C. To promote the development of stronger regional ties, especially with Iran, Pakistan, India, Turkey, and the Persian Gulf states.

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India, already active and influential in the economic field in Afghanistan, and Turkey show signs they are considering increased military ties with this country, possible developments which again should be encouraged not only by this Mission, but also by our colleagues in Ankara and New Delhi. The PRG recommends that the Afghans be urged to seek and utilize further assistance from the OPEC states of the Persian Gulf.

Additional steps which might further this objective could be official visits to Afghanistan by regional chiefs of state, and possibly by Secretary Vance or other high-level U.S. officials. There is, however, little that this Mission can do directly to affect such visits, other than to seize any opportunity which might arise to encourage foreign leaders to demonstrate their interest in continued Afghan stability and development. More immediately, the PRG recommends that the Ambassador and other members of the Mission make positive comments during their regular meetings with Afghan officials regarding the need for good Afghan ties with regional neighbors, but exclude any mention of membership in a formal regional grouping. Such remarks, however, should not be tied exclusively to an anti-Soviet theme, but should be couched solely in terms of potential advantages which might accrue to Afghanistan.

In sum, the full achievement of this objective is dependent not only on actions by this Mission and the Afghans, but perhaps even more on approaches and policies adopted by leaders of Afghanistan's regional neighbors.

Objective D. To encourage Afghanistan to further its rapprochement policy toward Pakistan, especially with respect to resolving the Pushtunistan issue.

PRG Comment. Good Afghan-Pakistani relations certainly serve the U.S. interest in regional stability, but progress in the rapprochement between the two countries would require the participation of both, and therefore, probably must await the resolution of Pakistan's domestic political situation. Thereafter, the PRG recommends low-key approaches in each capital encouraging both sides to improve further their bilateral relations.

In the meantime, the Afghans appear to believe that Pakistan is conducting various nefarious machinations aimed at keeping this regime off-balance, a perception which does not lend itself to improved bilateral relations. Thus, perhaps this issue could be raised in Islamabad, and the Pakistani government informed that, whatever it may or may not be doing, exacerbating Afghan suspicions at a sensitive point in this country's political development does not serve Pakistan's long-term interests.

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In all likelihood, the Pushtunistan issue will not be resolved as long as Mohammad Daoud remains in power, even though it might become essentially a "back-burner" item in the two countries' relations. U.S. policy has been to remain neutral on this particular question, and the PRG strongly recommends that this posture be maintained, and that no action be undertaken or remarks made which could be interpreted by the Afghans as injecting the merits of the Pushtunistan issue into the U.S.-Afghanistan relationship.

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Goal II. Economic and social development of Afghanistan, especially as it affects the quality of life of the majority of the Afghan populace.

Objective A. To ensure that USAID programs lead to economic growth with equity, by means of projects focusing on improving the economic and social lot of the poor majority.

PRG Comment. As implied in the PRG's assessment of AID's performance in 1977, the mandate governing AID programs may have become so restrictive that new approaches are necessary in order to retain any realistic chance that AID can attain the objectives set for it by U.S. policy.

AID is currently engaged in sector assessments in order to determine the feasibility of developing new AID-assisted programs and/or whether to revise or expand ongoing programs. New project areas for AID assistance, such as rural electrification, small-scale rural industry (including handicrafts), and the construction and maintenance of rural roads, will also be examined. AID's overall and sector strategies will be the ultimate outcome of this exercise, and such strategies will be consistent with AID's basic human needs developmental framework.

AID's present rural directed programs will not make any sizeable national impact on the rural majority in the foreseeable future. Moreover, except for the Helmand drainage project, AID's efforts cannot offer enough leverage for serious discussion among high Afghan officials regarding substantive GOA procedural and institutional changes. Such changes are crucial to the successful implementation of rural-directed and institution-building programs.

One means of attaining both objectives (national impact and leverage), and one which has met with some success elsewhere in the world, is the use of sector grants. The integrated sector approach, as opposed to a narrow project tack, may prove to be the mechanism for more expeditious and effective project implementation on a sector or sub-sector basis. AID and other donors would provide many of the major initial inputs, although the inputs would be carefully geared to the absorptive capacity of the responsible Ministry. A large sector grant (i.e., from \$20 million to \$50 million) also could provide the necessary carrot for the GOA to agree to important changes in bureaucratic procedures which, to date, have been the primary obstacle to expeditious and effective project implementation. This would also provide an appropriate channel to increase AID levels in Afghanistan.

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For the nearer term, AID will continue to explore ways to discern innovative means -- such as payment of housing rents, per diem, or local transportation costs of Afghan officials in the rural areas -- to accelerate rural-directed programs, albeit in conformance with the capabilities and commitment of the GOA. Greater use of U.S. private voluntary organizations, i.e., Asia Foundation and CARE-Medico, will also be explored. AID in Afghanistan may have to request an increase in approved levels for FYs 78 and 79, but the request should be put forward if a case can be made for accelerated and sound program implementation.

Objective B. To use Peace Corps Volunteers in health and social programs directed also towards the Afghan poor, as well as in educational projects for Afghans who will be administering services to the poor.

PRG Comment. The PRG holds the general view that the Peace Corps makes a positive contribution to overall U.S. policy goals in Afghanistan, and that the promising signs of modified official Afghan attitudes toward the potential usefulness of Volunteers (PCVs) indicate that this particular social development tool should be retained by the Mission.

As its highest priority, however, the Peace Corps should make every effort to expand its involvement in education programs in the provincial centers of the country, and should actively pursue opportunities for new programs in health and agriculture that are directly beneficial to the rural poor. In this regard, the PRG strongly recommends that greater stress be placed on the further integration of PCVs into ongoing AID programs in the provinces.

Past reluctance of various Ministries to request assignment of PCVs to specific projects has represented the greatest obstacle to Peace Corps participation in activities other than education. As an effort to overcome this GOA reluctance, the PRG recommends that the Mission undertake a series of demarches to several Ministries (Public Health, Education, Planning, and, perhaps, Agriculture) encouraging these Ministries to ask for PCVs to be assigned to rural-related programs in the provinces, especially those assisted by AID. Necessary data regarding individual programs can be provided by AID, and the Peace Corps believes that it can produce qualified PCVs to meet any realistic requests which might be forthcoming from the GOA as a result of such demarches.

The PRG believes that a direct comparison between Peace Corps programs and those of other countries, or of international organizations, is not necessarily appropriate since the latter tend to provide high-skilled specialists, rather than individuals

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who will work and live directly with Afghans. Nevertheless, accelerated integration of PCVs into AID programs would tend to increase the utility and impact of the former, and would in a positive manner modify the role which the Peace Corps has recently been compelled to play in this country.

In the PRG's opinion, the current overall trend in GOA attitudes toward the Peace Corps is promising, and with programs that place PCVs in the provinces, working in schools, basic health centers or on AID projects, some meaningful impact on Afghanistan's rural poverty might become evident in the near future.

Objective C. To encourage Afghanistan to adopt economic development and reform measures recommended by the IMF and IBRD, such as more promotion of the private sector, reducing subsidies on consumer goods for privileged groups, and reversing the decline in real income of government officials.

PRG Comment. Encouraging words regarding the extensive reforms included in the objective are likely to fall on deaf ears within the Afghan bureaucracy. What is needed above all is some form of leverage which could be used to convince the GOA to at least begin considering some of these substantive reforms. Such leverage conceivably could flow from programs resulting from potential AID sector grants discussed under Objective A above. Another potential source could be Title III funds stemming from the joint Wheat Stabilization Program.

The PRG recommends, however, that the international agencies, rather than the U.S. Government, stay out in front in any application of whatever leverage may be forthcoming. In this regard, the PRG recommends that efforts should be made to establish a multilateral committee -- composed of the IBRD, the UN, the Asia Development Bank, and bilateral donors -- which could coordinate an international approach to these reform programs.

Goal III. The elimination of illicit narcotics production and trafficking.

PRG Comment. Although the members of the PRG are well aware of the domestic pressures emanating from Congress, the White House and the bureaucracy itself, certain members expressed skepticism that any amount of effort by the U.S. or international agencies directed at attacking the source of narcotics will ever affect the overall narcotics problem in the U.S. as long as demand remains constant or expands. According to this view, the fact that Afghanistan is becoming predominant in many narcotics eradication programs, underscores the hollowness of past successes

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in Turkey, Mexico, etc., and indicates that the total elimination of narcotics in this country would merely be followed by increased production elsewhere. Advocates of this view hold no expectation that pressures from Washington on the Mission will lessen, however, or that the narcotics issue will reveal its emergence as the primary concern in U.S.-Afghan relations, but they do suggest that perhaps someone in the Department of State could attempt to make the case that the source of the entire problem as well as its solution, lies within the U.S., not abroad, and that this issue, which complicates many of our bilateral relationships around the world, should be placed in proper perspective.

The PRG as a whole, however, believes that, in light of political realities, the Mission has achieved a good start in pursuit of this perhaps overwhelming goal, and that further efforts along established lines might result in some dent on narcotics production and trafficking in Afghanistan.

Objective A. To work within the framework of the newly formed Joint Commission on Afghan Narcotics Matters to help develop meaningful crop and income substitution programs.

PRG Comment. UNFDAC specialist Michael DeMeire is to present a definite crop and income substitution plan, currently under formulation, to the Joint Commission this spring, and the PRG hopes that the Mission will find his submission worthy of full support. The PRG agrees with the Mission's policy of working through international organizations in this field, and urges that the Mission resist attempts to place narcotics control on a more bilateral footing.

More specifically, the PRG believes that the projected augmentation of the Mission's narcotics control elements, represented by the recent arrival of a second DEA agent, and a request for an additional FSO to work exclusively on narcotics matters, constitutes sufficient increased resources for the immediate future. However, the PRG recommends that, in order to maintain GOA awareness of high-level U.S. interest in this problem, every official U.S. visitor to Kabul mention the issue during talks with Afghan counterparts. Moreover, possible discussions between the two countries' Presidents should include narcotics as a high-priority item.

Objective B. To support the UN program of strengthening the Afghan Government's capability and willingness to combat narcotics trafficking.

PRG Comment. Training opportunities, made available by DEA and S/AM, and coordinated with the UN, should continue to be used

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as a primary means of increasing the technical capabilities of GOA narcotics officials. Certain of the PRG's remarks under Objective A above would serve to affect the GOA's willingness to combat narcotics trafficking.

The PRG recommends further consideration of the current policy that U.S. contributions to UNFDAC should not exceed 50% of that organization's total financial support. Granted there may be sound reasons for such a policy, but a second look could determine if this ceiling prevents increased international use of U.S. funds available for anti-narcotics programs.

Objective C. To improve the ability of the UN narcotics team and the U.S. Mission to obtain more reliable intelligence on opium cultivation and trafficking.

PRG Comment. An intensive study done by the Mission in mid-1977 highlighted the lack of firm narcotics information available to the Mission. The addition of a second DEA officer, and a retasking of traditional intelligence gathering agencies, should soon result in the increased flow of reliable intelligence.

Goal IV. The enhancement of human rights in Afghanistan.

Objective A. To make certain that high levels in the Afghan Government understand the U.S. position on human rights. The Afghan Government should be fully cognizant that the U.S. Government takes human rights conditions into account when considering bilateral and multilateral aid.

PRG Comment. This subject (as the PRG expects it will be) also should be included in any discussions between Presidents Carter and Daoud. Moreover, AID Director Charles Grader should brief Deputy Minister of Planning Abdul Aziz Farough regarding the recent exercise involving the approval of PL-480 assistance to Afghanistan and its linkage to an evaluation of the human rights situation in this country. In addition, a similar procedure should be undertaken following the imminent public release of the Department's evaluation of the human rights situation here. This process would highlight points contained in the stated objective.

Objective B. To encourage the Afghan Government to implement fully those provisions of the new Afghan constitution which guarantee human rights.

PRG Comment. Mission officers, at all levels, should make positive statements to their Afghan colleagues whenever the Mission

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detects that provisions cited in the objective have been implemented. The PRG recommends further that the establishment of another legal training program, which could have genuine, albeit long-range, human rights impact in this society, be carefully studied by AID, and if at all possible, implemented soon. AID or, alternatively, the Asia Foundation, could conceivably sponsor such a program. In addition, USIS should explore means to reinforce and explain the U.S. position on human rights throughout the world.

Some members of the PRG raise the point that Afghanistan, historically, has not constituted a homogeneous entity, either socially or politically, and that human rights, as currently defined, have generally been sacrificed for the perceived greater good of maintaining some semblance of national cohesion. According to this view, potential forces of disintegration still exist in Afghanistan, and U.S. efforts to enhance human rights should not be pressed to the point that national cohesiveness, and political stability -- fragile elements in this country -- would be threatened.

Furthermore, long-term improvement in human rights is likely to result from the positive effects of political and economic development, extended processes which do not lend themselves to quick solutions. Supporters of this view are not apologizing for the current repressive aspects of this regime, but they urge the Mission to consider carefully the restraints under which any Afghan government must function.

Goal V. An increase in the two countries' understanding of each other, their values, interests, and capabilities, by fostering an exchange of views and ideas between Afghanistan and the U.S., through governmental and private channels.

PRG Comment. The Mission should exploit Afghan interest in the U.S. by encouraging whatever channels of communication already exist, and by exploiting new opportunities.

Scholarly exchanges should continue to receive as much support as possible, and Afghan travel to the U.S. should be promoted by the relevant elements of the Mission. The advantages of a satellite ground station in Afghanistan should be developed into a viable economic package, and presented to the GOA with the encouragement

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that it conclude a contract for such a project with an American company.

Objective A. To develop among the Afghan elite an understanding of and support for U.S. policies.

PRG Comment. A full comprehension of American policy by Afghans other than the educated elite is beyond possibility, but increased effort should be made to "educate" the students of Kabul University and the higher teachers colleges, individuals who will form the basic fabric of future elites. The Mission itself might constitute a pool of talent which could present U.S. views to selected Afghan audiences.

Objective B. To increase Afghan comprehension of the political and social values, economic system, and cultural vitality of America.

PRG Comment. Some members of the PRG believe that the focus of the Mission's program effort should be on the communicators in the Afghan society, i.e., the teachers, commentators, and influential intellectuals who are capable of disseminating their impressions of the U.S. to others in the society. Occasional lighter programming should not be excluded, but the emphasis and majority of resources should be on closing the cultural and intellectual gap which exist between the two countries. Other members believe that the potential impact of the cultural tool available to the Mission should not be overlooked, and that priority should be placed on mass audience programs.

Objective C. To foster the exchange of scholars, visitors, and informal communications, for the purpose of expanding bilateral ties and building mutual understanding.

PRG Comment. More emphasis should be placed on identifying potential leaders who have just begun their careers in the military, academe, or the government; special attention might be placed on selecting promising young minority leaders. To increase the effectiveness of the U.S. exchange program, a lowering of rank or position requirements should be adopted. This would allow the Mission, without sacrificing the integrity of the program, to reach precisely those individuals who are not yet close to the peak of their influence or position, and who will constitute part of this country's future leadership.

Objective D. To make Afghans aware of the interest of the United States in Afghanistan.

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PRG Comment. The Mission has a number of projects aimed at this objective already underway, and there should be sufficient for at least the next year. However, USIS speaker programs could focus on bringing scholars or other experts on this part of the world to present programs on U.S. interest in Afghanistan.

Goal VI. Support for U.S. positions in international fora.

Objective A. To obtain more favorable Afghan votes in UN and other multilateral fora on issues important to the U.S.

PRG Comment. The favorable signs detected in Afghanistan's multilateral policy in 1977 could indicate that the Mission's past efforts to explain U.S. policies and solicit Afghan support may have paid dividends. The PRG recommends that we maintain our efforts in these directions, but that no dramatic escalation of our demarches need be undertaken lest we risk an Afghan reversion to a formerly quasi-unfriendly status in international forums. In effect, more of the same is the most profitable course.

Goal VII. Promotion of U.S. exports to Afghanistan.

Objective A. To develop and promote vigorously an export promotion program, directed especially to high-value sales opportunities.

PRG Comment. The PRG is well aware of the economic and political problems created by the magnitude of the U.S. unfavorable balance of payments, but the group believes that the Mission is doing as much as is realistically possible in this country to promote U.S. exports. However, as one possible affirmative action, the Mission could consider organizing an export promotion fair or seminar (perhaps in conjunction with a neighboring U.S. Mission) in order to bring to Afghan attention those American products which might be in most demand here. Our commercial operation in Tehran could be urged to steer U.S. business toward Iran's eastern neighbor.

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